Today’s U.S. Inland Waterways System
A Critical Part of the Transportation Supply Chain

12,000 MILES IN 38 STATES
219 LOCKS AT 176 SITES

NEARLY 600 MILLION ANNUAL TONS
VALUED AT OVER $300 BILLION

20% OF COAL
60% OF GRAIN
MOVED ON OUR RIVER SYSTEM

AS MANY AS 540,000 JOBS
DEPEND ON INLAND NAVIGATION

THE SAFEST AND MOST ENERGY-EFFICIENT
MODE OF SURFACE TRANSPORTATION
INGRAM MARINE GROUP OVERVIEW
BRANDED ENTRY INTO BARGE BUSINESS

1946

OWNED & OPERATED BY FAMILY

ABOUT INGRAM BARGE

NEARLY 2,200 ASSOCIATES

LOCATIONS STRATEGICALLY LOCATED ALONG RIVER SYSTEM
We operate on over 4,500 miles
## What Makes Ingram Different

| **Stability**     | Private/family owned and operated for more than 70 years  
|                   | We’re in it for the long haul: next generation of family involved |
| **Agility**       | We’re dedicated to having a comprehensive understanding of your business, allowing us to responsively address your needs |
| **Efficiency**    | Superior, knowledgeable customer service team ensures your cargo reaches its destination efficiently and safely |
| **Safety**        | We strive to set the standard in the marine industry; committed to protecting our associates, assets, and the environment  
|                   | Zero Harm is our guiding principle |
Presently Ingram is the **largest dry cargo carrier**; **4th largest liquid carrier**

<table>
<thead>
<tr>
<th>Barge Company</th>
<th>Dry Barges</th>
<th>Tank Barges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ingram</td>
<td>4,220</td>
<td>248</td>
</tr>
<tr>
<td>ACBL</td>
<td>3,219</td>
<td>426</td>
</tr>
<tr>
<td>ADM</td>
<td>1,762</td>
<td>82</td>
</tr>
<tr>
<td>Cargill/Marquette</td>
<td>1,465</td>
<td>-</td>
</tr>
<tr>
<td>Bunge/SCF</td>
<td>1,190</td>
<td>-</td>
</tr>
<tr>
<td>Crounse</td>
<td>1,136</td>
<td>-</td>
</tr>
<tr>
<td>AEP</td>
<td>533</td>
<td>-</td>
</tr>
<tr>
<td>Canal</td>
<td>403</td>
<td>308</td>
</tr>
<tr>
<td>Kirby</td>
<td>-</td>
<td>841</td>
</tr>
<tr>
<td>FMT</td>
<td>218</td>
<td>236</td>
</tr>
<tr>
<td>Blessey</td>
<td>-</td>
<td>165</td>
</tr>
<tr>
<td>Enterprise/Genesis</td>
<td>-</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: Informa Economics, March 2018
We operate over 140 towboats
With nearly 5,000 hopper and tank barges, Ingram is the largest dry cargo carrier and fourth largest liquids carrier on America’s inland waterways.

Accounts for approximately 25% of total industry fleet.
Ingram Linehaul Boats by River

- **Ohio/Monongahela**
- **Illinois**
- **Upper Mississippi**
- **Lower Mississippi**
- **Cumberland/Tennessee/Tennessee-Tombigbee**
- **Gulf Intracoastal**

Map showing the distribution of Ingram Linehaul Boats by river system.
Investing in New Construction

Ingram has built 1,700 new barges since 2007
Investing in Associates

Associates in Junior Engineer Program

Steersman in Wheelhouse Training Program
Investing in Technology

Towline
Investing in Research and Development

KPI (Key Performance Indicator) Dashboard

90 Day Trend (as of 0500 each day)

by Current Location

- Pittsburgh to Medahl: 2
- Medahl to Cannelton: 2
- Cannelton to Smithland: 18
- CUMB: 4
- TENN: 2
- Columbus: 113
- Lower Miss: 75
- ARC: 3
- St. Louis: 81
- Channahan to Chicago: 1
- Channahan South: 21
- Mid Miss: 45
- Lacrosse-Savage Area: 23
- Gulf: 427
- GINW: 1
Operate to Win: Achieve Zero Harm

Stringent hiring practices & safety training

In-house deckhand training school
Safety Trends

- Spills: 49
- Man Overboard: 25
- Recordable: 9.56
- Pilot Error: 15

*Figures YTD through August 2018*
“For the first time since 2013, the inland jumbo hopper barge fleet decreased in size in 2017 as the diminutive new build numbers were more than offset by barge scrapping activity.”

~ River Trading News

Source: Criton, River Trading News, 2018P per internal estimates.
Young Fleet, but Plenty of Retirements Ahead

**Age Distribution of the Dry Cargo Fleet**

Source: Merchant Vessels Database, September 2018. Includes valid CODs.

- 2,900 hoppers >30 years
- 1,050 hoppers 25 – 30 years
Allocation of inland marine cargo types has been relatively stable over past several years, with some changes expected.

### Barge Tonnage Share

- Coal: 31%
- Agriculture: 28%
- Aggregates: 19%
- Chemicals: 11%
- Steel: 7%
- Other: 4%

### Long-Term Commodity Outlook

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>Domestic: Modest Decline</td>
</tr>
<tr>
<td></td>
<td>Export: Continued Growth</td>
</tr>
<tr>
<td>Agriculture</td>
<td>Growth; Ratable Demand</td>
</tr>
<tr>
<td>Aggregates</td>
<td>Growth</td>
</tr>
<tr>
<td>Chemicals</td>
<td>Growth</td>
</tr>
<tr>
<td>Steel</td>
<td>Growth</td>
</tr>
<tr>
<td>Other</td>
<td>Opportunities</td>
</tr>
</tbody>
</table>

Impact of Tariffs

- US metals industry enjoying much better health and elevated prices - keeping barge building well in check
- Global agriculture inventories are too tight not to export
- Closely monitoring import demand (Northbound)
GRAIN EXPORTS

- Nearly 120M metric tons annually
- 60% of soybean and 58% of corn exports by barge
Top Importers of U.S. Corn

- **Japan**
  - 2016-2017: 476M
  - 2017-2018: 472M

- **Mexico**
  - 2016-2017: 553M
  - 2017-2018: 612M

- **South Korea**
  - 2016-2017: 220M
  - 2017-2018: 235M

- **Peru**
  - 2016-2017: 126M
  - 2017-2018: 130M

- **Columbia**
  - 2016-2017: 178M
  - 2017-2018: 193M

Source: FCStone
Someplace to Go
Top Importers of U.S. Soybean

**MEXICO**
2016-2017: 138M
2017-2018: 162M

**THE NETHERLANDS**
2016-2017: 75M
2017-2018: 98M

**CHINA**
2016-2017: 1347M
2017-2018: 1024M

**JAPAN**
2016-2017: 83M
2017-2018: 87M

**INDONESIA**
2016-2017: 91M
2017-2018: 102M

Source: FCStone
## USDA Grain Projection (18/19)

### 16/17 vs. 17/18 vs. 18/19 (as of 10/2)

<table>
<thead>
<tr>
<th></th>
<th>16/17</th>
<th>17/18</th>
<th>18/19 (as of 10/2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acres Planted</strong></td>
<td>94M</td>
<td>90M</td>
<td>89M</td>
</tr>
<tr>
<td><strong>Yield (bushels/acre)</strong></td>
<td>174.6</td>
<td>176.6</td>
<td>181.3</td>
</tr>
<tr>
<td><strong>Exports (bushels)</strong></td>
<td>2.3B</td>
<td>2.425B</td>
<td>2.4B</td>
</tr>
<tr>
<td><strong>Good/Excellent Condition</strong></td>
<td>63%</td>
<td>69%</td>
<td>69%</td>
</tr>
</tbody>
</table>

### 16/17 vs. 17/18 vs. 18/19 (as of 10/2)

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<th>17/18</th>
<th>18/19 (as of 10/2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Acres Planted</strong></td>
<td>84M</td>
<td>90M</td>
<td>90M</td>
</tr>
<tr>
<td><strong>Yield (bushels/acre)</strong></td>
<td>52.0</td>
<td>49.1</td>
<td>52.8</td>
</tr>
<tr>
<td><strong>Exports (bushels)</strong></td>
<td>2.2B</td>
<td>2.13B</td>
<td>2.060B</td>
</tr>
<tr>
<td><strong>Good/Excellent Condition</strong></td>
<td>60%</td>
<td>68%</td>
<td>68%</td>
</tr>
</tbody>
</table>
Tariff on U.S. Soybeans

- China’s domestic feed requirements continue to rise; few quality substitutes
- U.S. is the most competitive soybean origin
- U.S. soybean exports increased in the month of July, from 85.2 mb in 2017 to 125.9 mb in 2018
- U.S. soybean exports also increased in the month of August, from 109.9 mb in 2017 to 123.7 mb in 2018
- Increased exports to Europe favor barge transportation
Key Grain Trends

World Consumption

US Grain Exports

Source: USDA, World Agricultural Supply and Demand Estimates
China E-10 Mandate Bullish for US Grain in Long Term

Source: USDA FAS Data
**Agriculture Long Term**

Global Grain Stocks-To-Use Decline is Bullish U.S. Exports

### World Corn Balance Sheet

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Supply</td>
<td>1,254</td>
<td>1,322</td>
<td>1,322</td>
<td>1,426</td>
<td>1,414</td>
<td>1,409</td>
<td>1,392</td>
</tr>
<tr>
<td>Total Use</td>
<td>1,080</td>
<td>1,113</td>
<td>1,107</td>
<td>1,194</td>
<td>1,216</td>
<td>1,220</td>
<td>1,254</td>
</tr>
<tr>
<td>Surplus/deficit</td>
<td>48</td>
<td>53</td>
<td>(15)</td>
<td>41</td>
<td>(27)</td>
<td>(36)</td>
<td>(50)</td>
</tr>
<tr>
<td>Ending Stock</td>
<td>174</td>
<td>210</td>
<td>214</td>
<td>231</td>
<td>198</td>
<td>188</td>
<td>138</td>
</tr>
<tr>
<td>STU (%) (stocks to use)</td>
<td>18%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>19%</td>
<td>18%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Prior forecast issued Fall 2017 for 2018/2019 was 15%
CONSTRUCTION
Cement Consumption & Supply

Recent Economic Initiatives Result in Accelerated Cement Consumption

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Source: Portland Cement Association
STEEL
Steel Sector

Chinese steel prices continue to rise and nearly meet domestic prices, which is obviously healthy for American producers

Figure 3: U.S./China HRC Premium Has Narrowed

SOURCE: Bloomberg
Investment in Infrastructure

- For FY 2017, Army Corps of Engineers received $6 billion for Lock & Dam funding
- Inland Waterway Trust Fund
  - Fuel tax of $0.29 per gallon paid by barge industry generates approximately $120 million
  - Funds are matched by the U.S. Treasury, totaling $220-$240 million
## Operational Challenges

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lock and Dam 52 &amp; 53 outages</td>
<td>Significant industry-wide costs</td>
</tr>
<tr>
<td>Heavy icing on the Illinois and Ohio</td>
<td>Significant delays, reduced tow sizes, breakaways, and river closures</td>
</tr>
<tr>
<td>Low water on the Lower Mississippi and Ohio</td>
<td>Decreased drafts, tow sizes and delays associated with groundings</td>
</tr>
<tr>
<td>UMR and Gulf infrastructure repairs</td>
<td>Increased delays due to channel closures</td>
</tr>
<tr>
<td>High water in St. Louis and Columbus</td>
<td>Decreased fleet efficiency, surcharges</td>
</tr>
<tr>
<td>Extensive fog delays in the Gulf</td>
<td>Navigation halted</td>
</tr>
<tr>
<td>High water on the UMR</td>
<td>Lock closures, reduced tow sizes</td>
</tr>
</tbody>
</table>
Areas Impacted By Operational Challenges

- High Water
- Ice
- Ice, High Water, Breakaways
- L&D 52 Outages
- Groundings
- Fog Delays
Operational Challenges – Fog Delays in the Gulf

- Extensive fog and inclement weather delays in the Gulf
- Major logistical impact on barge fleet
- Significant delays (> 2 weeks) for linehaul boats and tug boats
- Docks unable to load/unload
- Increased external services costs
Operational Challenges –
Significant Lock Delays

Newburgh OH 776: 6/4 – 9/28
Melvin Price UMR 201: 7/16 – 8/10
Calcasieu GIWW 238: 5/15 – 12/25
Montgomery OH 31: 8/9 – 9/10
Bayou Sorrel PAC 36: 8/31 – 12/1

Average delay for June, July and August
up **41%** over 2017 average